

THE BANK OF NEW YORK

ONE CANADA SQUARE, LONDON E14 5AL

TELEPHONE : 020 7570 1784
TELEX : LONDON 883265/6
FACSIMILE : 020 7893 6030
REGULATED BY SFA

14th February 2000

Lakah Group
68, Merghany Street
Heliopolis
Cairo, Egypt

Attention Mr Ramy Lakah Chairman and CEO

Sale of Arab Steel Factory, S.A.E. ("ASF")

Dear Mr Lakah

After reviewing your correspondence dated January 26, 2000 relating to the proposed sale or transfer of assets of ASF and after a few discussions with our counsel, The Bank of New York ("BNY") is of the view that such action may require bondholder consent and compliance with a number of conditions precedent enumerated in the Indenture dated as of December 8, 1999 (the "Indenture"), among Lakah Funding Limited, as Issuer, The Holding Company for Financial Investments (Lakah Group), S.A.E., Medequip for Trading and Contracting, S.A.E., Trading Medical System Egypt, S.A.E and ASF, as Guarantors, and BNY, as Trustee.

You may want to consult with your counsel as to the requirements under the Indenture that need to be met to accomplish the sale or transfer of assets of ASF. Please do not hesitate to contact me (171-893-7298) with any questions you may have.

Kind Regards



Trevor Blewer
Assistant Vice President